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UNCLAS KINGSTON 000895

SIPDIS

DEPARTMENT PASS OPIC FOR GEOFFREY TAN

E.O. 12958: NA

TAGS: [EINV](#) [JM](#) [GJ](#) [BH](#) [BB](#)

SUBJECT: RESPONSE TO APPLICATION FOR OPIC FINANCE: GE
INTERNATIONAL MEXICO

REF: STATE 054197

1. (U) Embassy Kingston understands that OPIC, per reftel, is interested in an assessment of the market for GE Mexico's products to replace hurricane-damaged or destroyed infrastructural equipment in Jamaica. At the present time, given the overall success of the post-hurricane rebuilding effort Post is unaware of substantial demand by the Jamaica Public Service Company (JPSCo) or the Jamaica Port Authority (JPA) for the infrastructure products of GE Mexico.

2. (U) Hurricane Ivan damaged/destroyed JD 1,397 million (USD 22.69 million) worth of electrical infrastructure and JD 678.7 million (USD 11 million) worth of water supply and sanitation infrastructure in September 2004. However, JPSCo was able to fully restore service to most of the island by December 2004, and is not presently short of equipment. There was some damage to two privately held port facilities that primarily serve the aluminum industry, but those ports were fully returned to operation by late 2004. Therefore, demand for GE equipment in Jamaica is not pressing.

3. (U) The availability of local financing for infrastructure development projects is also questionable. The Parliament of Jamaica is currently investigating the Ministry of Finance for its practice of issuing "off-the-books" loan guarantees for public development projects over the past 13 years. At least JD 20 billion (USD 325 million) has been added to the GOJ's public debt overnight, and the Ministry of Finance has been directed to cease the practice. The JPA would most likely be unable to secure substantial credit to purchase equipment without the GOJ loan guarantees.

TIGHE